

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 2040

Sacramento, CA

Minutes of Meeting

June 9, 2005

COMMISSIONERS PRESENT

Nancy E. McFadden, Chair
Marco Firebaugh
Diane M. Griffiths
Teresa P. Hughes
Lynn Schenk
Cathie Bennett Warner

CMAC STAFF PRESENT

J. Keith Berger, Executive Director
Enid Barnes
Theresa Bueno
Paul Cerles
Denise DeTrano
Holland Golec
Steve Soto
Michael Tagupa
Mervin Tamai
Carol Tate
Karen Thalhammer

COMMISSIONER ABSENT

Vicki Marti

EX-OFFICIO MEMBERS PRESENT

Bob Sands, Department of Finance
Sunni Burns, Department of Health Services

I. Call to Order

The June 9, 2005 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Nancy E. McFadden. A quorum was present.

II. Approval of Minutes

The May 26, 2005 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Mr. Berger reported that there were no new requests from hospitals or health plans to appear before the Commission in closed session at this time.

Mr. Berger informed the Commissioners that there were 14 amendments and new contracts for action during today's closed session as well as some updates and strategic discussions on current negotiations.

Mr. Berger noted that at the last meeting after Ms. Burns update on the Hospital Financing Waiver and the Safety net Care Pool, Commissioner Schenk requested information about the projected population growth in California over the five years waiver.

Mr. Berger stated that Bob Sands had provided Department of Finance estimates of projected population growth that indicated a rate of increase of just under 1.5 percent per year over the next five years. That rate of increase would result in California's total civilian population growing from 36.9 million to 39.75 million over the next five years.

Mr. Berger also noted that DHS does not have a five-year growth projection; in the Medi-Cal beneficiary population, however, for the current fiscal year 2004-05 to the next fiscal year, 2005-06, the beneficiary population increase is projected to be 1.68 percent.

Mr. Berger reported that last week the California Hospital Association (CHA) expressed some concerns and opposition to certain key components of the Hospital Financing Waiver proposal. Mr. Berger indicated that discussions are ongoing between DHS and the hospitals, and between DHS and the federal government.

Mr. Berger asked Ms. Burns if she could give the Commission an update on the Hospital Financing Waiver.

Ms. Burns noted that a meeting with the Governor and the hospitals took place on June 8. She indicated that she did not know the outcome of that meeting, but did emphasize that the waiver expires June 30. She further noted that CMS is not interested in extending the waiver, and without a waiver the State may lose \$2 billion in intergovernmental transfer funds, as well as the ability to negotiate contracts as allowed under the current waiver. She discussed how critical it is that an agreement on the waiver be reached within the next few days or weeks.

Ms. Burns indicated that DHS is in the process of preparing a response to the letter received from CHA. She stated that the issues are not new to DHS and that DHS believes that there is still some misunderstanding of certain waiver components.

Mr. Berger informed the Commission that CMAC staff is working on several presentations for the upcoming months. One will address the new Medicare Part D Drug benefit, which will have an impact on the Managed Care plans with whom CMAC negotiates and a much broader impact on the Medi-Cal budget. CMAC is working on having representatives from CMS Region IX and DHS attend the meeting. CMAC staff is also working on scheduling a joint presentation by representatives of the California Health Facilities Financing Authority and the Cal-Mortgage program at the Office of Statewide Health Planning and Development, two sources of loans and bonds for hospitals.

At this time, Chair McFadden took a moment to welcome new Commissioner Marco Firebaugh.

IV. Medi-Cal Managed Care Activities

Mr. Berger indicated that there was nothing new to report at this time.

V. New Business/Public Comments/Adjournment

There being no further new business and no additional comments from the public, Chair Nancy McFadden recessed the open session. Chair McFadden opened the closed session, and after closed session items were addressed, the Commission went into executive closed session. After the executive items were addressed, the closed session was adjourned and the Commission reconvened in open session. Chair McFadden announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.